

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended June 30, 2008

	W.R. Grace Land Corporation	G.C. Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

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	Homco International Inc.	GPC Thomasville Corp.	Grace Ventures Corp.	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

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Month Ended June 30, 2008

	Coalgrace II, Inc.	Gracoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	(480,608)
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(480,608)
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	(512,682)
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(512,682)
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	32,074
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,074

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities Combining Statement of Operations MOR - 2 Month Ended June 30, 2008		
	Conversion to Equity Method	COMBINED FILING ENTITIES
Net sales to third parties	\$ -	\$ 99,063,524
Net sales to non-filing entities	-	\$ 45,867,863
Net sales to filing entities	-	\$ -
Interest and royalties from non-filing entities, net	-	\$ 4,281,655
Interest and royalties from filing entities, net	-	\$ -
	-	\$ 149,213,041
Cost of goods sold to third parties	-	\$ 68,539,657
Cost of goods sold to non-filing entities	-	\$ 34,963,873
Cost of goods sold to filing entities	-	\$ -
Selling, general and administrative expenses	-	\$ 25,245,366
Research and development expenses	-	\$ 3,639,903
Depreciation and amortization	-	\$ 4,958,905
Interest expense	-	\$ 4,518,466
Other expense (income), net	-	\$ (6,420,392)
Chapter 11 reorganization expenses, net of interest income	-	\$ 7,360,805
	-	\$ 142,806,583
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	\$ 6,406,459
(Provision for) benefit from income taxes	-	\$ (17,700,174)
Minority interest in income of subsidiary	-	\$ -
Equity in net income of non-filing entities	26,686,557	\$ 26,686,557
Net (loss) income	\$ 26,686,557	\$ 15,392,842

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W. R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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June 30, 2008

	W. R. Grace & Co. - Conn	W. R. Grace & Co.	Remediation Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 187,526,476	\$ -	\$ (86,770)	\$ -	\$ -	\$ -
Investment securities	50,502,982	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	70,678,963	-	-	-	-	-
Accounts and other receivables, net	127,011,503	-	11,847	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	406,332,723	(339,695,315)	(27,097,446)	12,875,432	(69,842,762)	(12,414,250)
Inventories	92,764,085	-	-	-	-	-
Deferred income taxes	87,828,965	-	406,102	-	-	-
Other current assets	20,482,508	-	0	-	-	-
Total Current Assets	1,043,128,206	(339,695,315)	(26,766,266)	12,875,432	(69,842,762)	(12,414,250)
Properties and equipment, net	402,052,104	-	345,057	-	-	-
Goodwill	24,163,463	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	3,944,253	-	-	-	-	-
Deferred income taxes	946,602,603	-	21,345,718	-	-	-
Asbestos-related insurance receivable	500,000,000	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(1,601,997,478)	1,081,782,693	113,030,484	5,856,842	254,005,925	-
Investment in filing and non-filing entities	1,139,755,864	241,512,111	-	-	-	-
Overfunded defined benefit pension plans	488,566	-	-	-	-	-
Other assets	45,472,824	-	-	-	-	1
Total Assets	\$ 2,503,610,404	\$ 983,599,489	\$ 107,954,993	\$ 18,732,274	\$ 184,163,162	\$ (12,414,249)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	79,794,211	-	276,715	-	-	-
Income taxes payable	1,014,451	-	-	-	-	-
Other current liabilities	276,129,470	-	(131,022)	-	-	3,988
Total Current Liabilities	356,938,132	-	145,693	-	-	3,988
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	229,957,056	-	-	-	-	-
Minority interest in consolidated entities	53,496,165	-	-	-	-	-
Underfunded defined benefit pension plans	164,198,330	-	-	-	-	-
Other liabilities	44,818,817	-	-	-	-	-
Total Liabilities Not Subject to Compromise	849,408,501	-	145,693	-	-	3,988
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	805,094,694	-	-	-	-	-
Drawn letters of credit plus accrued interest	29,500,981	-	-	-	-	-
Income tax contingences	(74,465,063)	97,834,429	(12,758,137)	430,918	19,518,505	(235,494)
Asbestos-related contingences	1,700,000,000	-	-	-	-	-
Environmental contingences	85,591,959	-	62,143,398	-	-	-
Postretirement benefits	165,361,858	-	-	-	-	-
Other liabilities and accrued interest	125,911,927	-	656,146	-	-	-
Total Liabilities Subject to Compromise	2,836,996,356	97,834,429	50,041,407	430,918	19,518,505	(235,494)
Total Liabilities	3,686,404,856	97,834,429	50,187,099	430,918	19,518,505	(231,506)
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	83,968,960	835,307	12,223	1,000	-	1,000
Paid in capital	142,809,878	431,216,885	9,724,449	34,052,467	56,011,577	-
(Accumulated deficit)/Retained earnings	(1,004,290,414)	511,186,062	48,031,222	(15,752,111)	108,633,081	(12,183,743)
Treasury stock, at cost	-	(57,473,294)	-	-	-	-
Accumulated other comprehensive (loss) income	(405,282,876)	100	-	-	-	-
Deferred compensation trust	-	100	-	-	-	-
Total Shareholders' Equity (Deficit)	(1,182,794,452)	885,765,060	57,767,893	18,301,356	164,644,657	(12,182,743)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 2,503,610,404	\$ 983,599,489	\$ 107,954,993	\$ 18,732,274	\$ 184,163,162	\$ (12,414,249)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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June 30, 2008

	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewite Land Corporation
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 4,882,127	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	100,526	-	-	1,898,196	-
Receivables from/(payables to) filing and non-filing entities, net	(386,938,610)	5,870,576	140,524,854	(86,783,450)	2,117,642	(5,099,578)
Inventories	-	(0)	-	-	227,329	-
Deferred income taxes	-	103,684	-	-	61,499	-
Other current assets	-	-	-	-	0	-
Total Current Assets	(386,938,610)	6,074,786	140,524,854	(86,783,450)	9,186,794	(5,099,578)
Properties and equipment, net	-	-	-	-	573,432	-
Goodwill	-	-	-	-	1,256,948	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	606,895,895	(3,288,063)	-	37,715,626	-	-
Investment in filing and non-filing entities	-	-	-	58,669,464	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	54,000	-	-	6,269,948	-
Total Assets	\$ 219,957,286	\$ 2,840,723	\$ 140,524,854	\$ 9,601,640	\$ 17,287,122	\$ (5,099,578)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	27,024	-	991,146	861,762	24,000
Income taxes payable	-	-	-	-	(1,014,183)	-
Other current liabilities	-	253,156	-	6,622,676	182,113	-
Total Current Liabilities	-	280,180	-	7,613,822	29,692	24,000
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	0	-	(169,509)	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	(1)	-	-
Total Liabilities Not Subject to Compromise	-	280,181	-	7,444,312	29,692	24,000
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingencies	60,126,822	(1,079,697)	(150)	(6,817,015)	774,743	(386,977)
Asbestos-related contingencies	-	-	-	-	-	-
Environmental contingencies	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	400,096	-	-	133,907	-
Total Liabilities Subject to Compromise	60,126,822	(679,601)	(150)	(6,817,015)	908,650	(386,977)
Total Liabilities	60,126,822	(399,420)	(150)	627,297	938,342	(362,977)
Shareholders' Equity (Deficit)						
Preferred stock	112	-	-	-	-	-
Common stock	1,000	1,000	-	1,000	1,000	200
Paid in capital	(29,267,410)	-	25,358,993	61,845,489	13,074,177	274,606
(Accumulated deficit)/Retained earnings	189,096,761	(507,970)	115,166,011	(97,104,930)	3,273,603	(5,011,407)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	3,747,113	-	44,232,784	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	159,830,464	3,240,143	140,525,004	8,974,343	16,348,780	(4,736,601)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 219,957,286	\$ 2,840,723	\$ 140,524,854	\$ 9,601,640	\$ 17,287,122	\$ (5,099,578)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
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June 30, 2008

	Alewite Boston Ltd.	Five Alewife Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(2,143,580)	-	(57,817,172)	(110)	(330)	(26,161)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	(2,143,580)	-	(57,817,172)	(110)	(330)	(26,161)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	34,053,467	54,500,000	54,500,000	56,011,577
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ (2,143,580)	\$ -	\$ (23,763,706)	\$ 54,499,890	\$ 54,499,670	\$ 55,985,416
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(210)	-	-	(110)	(330)	(7,489)
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(210)	-	-	(110)	(330)	(7,489)
Total Liabilities	(210)	-	-	(110)	(330)	(7,489)
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	-	-	931,540	1	130	130
Paid in capital	-	-	9,408,460	54,499,999	54,499,870	54,499,870
(Accumulated deficit)/Retained earnings	(2,143,370)	-	(34,103,706)	-	-	1,492,905
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	(2,143,370)	-	(23,763,706)	54,500,000	54,500,000	55,992,905
Total Liabilities and Shareholders' Equity (Deficit)	\$ (2,143,580)	\$ -	\$ (23,763,706)	\$ 54,499,890	\$ 54,499,670	\$ 55,985,416

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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June 30, 2008

	Kootena Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern Oil, Resin & Fiberglass, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 58,792	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(10,483)	(26,614,022)	57,347,191	(7,283,826)	-	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	7,535	-	-	-	-	-
Total Current Assets	55,844	(26,614,022)	57,347,191	(7,283,826)	-	-
Properties and equipment, net	16,957	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 72,800	\$ (26,614,022)	\$ 57,347,191	\$ (7,283,826)	\$ -	\$ -
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	5,000	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	5,000	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(430,836)	(195)	10,346,794	(230)	-	-
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(430,836)	(195)	10,346,794	(230)	-	-
Total Liabilities	(430,836)	4,805	10,346,794	(230)	-	-
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	-	-	-	5,150	-	-
Paid in capital	1,303,954	859,233	3,671,658	5,144,850	-	-
(Accumulated deficit)/Retained earnings	(800,318)	(27,478,060)	43,427,950	(12,433,596)	-	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	(99,212)	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	503,636	(26,618,827)	47,000,396	(7,283,596)	-	-
Total Liabilities and Shareholders' Equity (Deficit)	\$ 72,800	\$ (26,614,022)	\$ 57,347,191	\$ (7,283,826)	\$ -	\$ -

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

June 30, 2008

	Guanica-Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 BR & Tool Co., Inc.	Grace Tarpon Investors, Inc.	G.C. Limited Partners I, Inc.	Monolith Enterprises, Incorporated
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,714)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,714)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	94,022	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 5,824,284	\$ (8,966)	\$ (1,119,103)	\$ 10,284,124	\$ 330	\$ (2,417,714)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	3	-	-
Other current liabilities	-	-	-	3	-	-
Total Current Liabilities	-	-	-	3	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	3	-	-
Total Liabilities Not Subject to Compromise	-	-	-	3	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(110)	-	(110)	(560)	(560)	(450)
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(110)	-	(110)	(560)	(560)	(450)
Total Liabilities	(110)	-	(110)	(557)	(560)	(450)
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	1,000	2,000	29,000	1,000	1,000	26,000
Paid in capital	5,823,446	-	-	3,136,087	-	9,988,414
(Accumulated deficit)/Retained earnings	(52)	(10,966)	(1,147,993)	7,147,595	(110)	(12,431,678)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	5,824,394	(8,966)	(1,118,993)	10,284,682	890	(2,417,264)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 5,824,284	\$ (8,966)	\$ (1,119,103)	\$ 10,284,124	\$ 330	\$ (2,417,714)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

June 30, 2008

	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ (26,312,455)	\$ (5,132,933)	\$ (3,350,634)	\$ (2,509,849)	\$ 840	\$ (1,230,613)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingencies	-	(818)	(110)	(210)	(110)	(30)
Asbestos-related contingencies	-	-	-	-	-	-
Environmental contingencies	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
Total Liabilities Subject to Compromise	-	(818)	(110)	(210)	(110)	(30)
Total Liabilities	-	(818)	(110)	(210)	(110)	(30)
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	-	-	1,000	1,000	1,000	50
Paid in capital	-	-	-	-	-	50
(Accumulated deficit)/Retained earnings	(26,312,455)	(5,132,115)	(3,351,524)	(2,510,639)	(50)	(1,230,683)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	(26,312,455)	(5,132,115)	(3,350,524)	(2,509,639)	950	(1,230,583)
Total Liabilities and Shareholders' Equity (Deficit)	\$ (26,312,455)	\$ (5,132,933)	\$ (3,350,634)	\$ (2,509,849)	\$ 840	\$ (1,230,613)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
MOR - 3
June 30, 2008

	W. R. Grace Land Corporation	G C Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W. R. Grace Capital Corporation	Gloucester New Communities Company, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	91,572
Accounts and other receivables, net	-	-	-	-	-	(19,551,219)
Receivables from/(payables to) filing and non-filing entities, net	36,708,315	-	(73,061)	(12,559,518)	(264,688)	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	36,708,315	-	(73,061)	(12,559,518)	(264,688)	(19,459,146)
Properties and equipment, net	-	-	-	-	438,445	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	6,284,806	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	4,066
Total Assets	\$ 42,993,121	\$ -	\$ (73,061)	\$ (12,559,518)	\$ 173,757	\$ (19,455,080)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	4,066
Income taxes payable	-	-	-	-	-	-
Other current liabilities	-	-	-	-	199	-
Total Current Liabilities	-	-	-	-	199	4,066
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	199	4,066
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(821)	-	(110)	(265)	(759)	-
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(821)	-	(110)	(265)	(759)	-
Total Liabilities	(821)	-	(110)	(265)	(560)	4,066
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	5,000	-	1,000	85,539	1,000	5,000
Paid in capital	19,577,160	-	-	6,541,055	4,000	6,000,000
(Accumulated deficit)/Retained earnings	23,411,782	-	(73,951)	(19,185,847)	169,317	(25,464,146)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	42,993,942	-	(72,951)	(12,559,253)	174,317	(19,459,146)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 42,993,121	\$ -	\$ (73,061)	\$ (12,559,518)	\$ 173,757	\$ (19,455,080)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
MOR - 3
June 30, 2008

	Creative Food N Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	23,478,717	6,345,361	810,265	(59,581,637)	(185)	(86,721)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	23,478,717	6,345,361	810,265	(59,581,637)	(185)	(86,721)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 23,478,717	\$ 6,345,361	\$ 810,265	\$ (59,581,637)	\$ (185)	\$ (86,721)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingencies	(1,432)	(300)	(335)	(405)	(185)	(110)
Asbestos-related contingencies	-	-	-	-	-	-
Environmental contingencies	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(1,432)	(300)	(335)	(405)	(185)	(110)
Total Liabilities	(1,432)	(300)	(335)	(405)	(185)	(110)
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	1,090,000	1,000	1,000	303,000	-	-
Paid in capital	33,631,999	18,090,032	-	37,765,000	-	1,900,000
(Accumulated deficit)/Retained earnings	(11,241,851)	(11,745,371)	809,600	(97,649,232)	-	(1,986,611)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	23,480,148	6,345,661	810,600	(59,581,232)	-	(86,611)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 23,478,717	\$ 6,345,361	\$ 810,265	\$ (59,581,637)	\$ (185)	\$ (86,721)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

June 30, 2008

	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	352,712,699	4,390,816	(15,750,664)	5,296,839	875,359	(5,314)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	352,712,699	4,390,816	(15,750,664)	5,296,839	875,359	(5,314)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(35,903,123)	(14,135,725)	-	-	-	-
Investment in filing and non-filing entities	187,272,210	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 504,081,786	\$ (9,744,909)	\$ (15,750,664)	\$ 5,296,839	\$ 875,359	\$ (5,314)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(119)	(110)	-	(360)	(310)	(260)
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(119)	(110)	-	(360)	(310)	(260)
Total Liabilities	(119)	(110)	-	(360)	(310)	(260)
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	1,000	1,000	(114,960)	100	1,000	1,000
Paid in capital	451,425,156	(2,089,027)	34,215,000	-	-	-
(Accumulated deficit)/Retained earnings	52,655,749	(7,656,772)	(49,850,704)	5,297,099	874,669	(6,054)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	504,081,905	(9,744,799)	(15,750,664)	5,297,199	875,669	(5,054)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 504,081,786	\$ (9,744,909)	\$ (15,750,664)	\$ 5,296,839	\$ 875,359	\$ (5,314)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
MOR - 3
June 30, 2008

	Coalgrace II, Inc.	Gracoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	108,080	130,215,533	145,239,206	(81,115,113)	47,407,796	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	108,080	130,215,533	145,239,206	(81,115,113)	47,407,796	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 108,080	\$ 130,215,533	\$ 145,239,206	\$ (81,115,113)	\$ 47,407,796	\$ -
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	25,064,465	25,064,465	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	25,064,465	25,064,465	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingencies	(360)	3,962,996	3,963,171	(480)	(110)	-
Asbestos-related contingencies	-	-	-	-	-	-
Environmental contingencies	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(360)	3,962,996	3,963,171	(480)	(110)	-
Total Liabilities	(360)	29,027,461	29,027,636	(480)	(110)	-
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	1,000	1,000	100	124,473	1,000	-
Paid in capital	-	30,293,750	13,880,108	51,173,713	7,308,934	-
(Accumulated deficit)/Retained earnings	107,440	70,893,322	102,331,362	(132,412,819)	40,097,972	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	108,440	101,188,072	116,211,570	(81,114,633)	47,407,906	-
Total Liabilities and Shareholders' Equity (Deficit)	\$ 108,080	\$ 130,215,533	\$ 145,239,206	\$ (81,115,113)	\$ 47,407,796	\$ -

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
MOR - 3
June 30, 2008

	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	Reporting Reclasses
ASSETS					
Current Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	-	-	-	-	200,000
Inventories	-	-	-	-	-
Deferred income taxes	-	-	-	-	(5,449,794)
Other current assets	-	-	-	-	-
Total Current Assets	-	-	-	-	(5,249,794)
Properties and equipment, net	-	-	-	-	-
Goodwill	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-
Deferred income taxes	-	-	-	-	(279,916,477)
Asbestos-related insurance receivable	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-
Investment in filing and non-filing entities	-	-	(1,323,702,717)	(51,937,007)	1,800,000
Overfunded defined benefit pension plans	-	-	-	-	-
Other assets	-	-	(1,201,282)	-	-
Total Assets	\$ -	\$ -	\$ (1,324,903,999)	\$ (51,937,007)	\$ (283,366,272)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)					
Liabilities Not Subject to Compromise					
Current Liabilities					
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-
Income taxes payable	-	-	-	-	-
Other current liabilities	-	-	-	-	843,868
Total Current Liabilities	-	-	-	-	843,868
Debt payable after one year	-	-	-	-	-
Deferred income taxes	-	-	-	-	(279,916,477)
Minority interest in consolidated entities	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-
Other liabilities	-	-	(100,000)	-	-
Total Liabilities Not Subject to Compromise	-	-	(100,000)	-	(279,072,610)
Liabilities Subject to Compromise					
Debt, pre-petition plus accrued interest	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-
Income tax contingences	-	-	-	-	-
Asbestos-related contingences	-	-	-	-	-
Environmental contingences	-	-	-	-	-
Postretirement benefits	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	(12,093,662)
Total Liabilities Subject to Compromise	-	-	-	-	(12,093,662)
Total Liabilities	-	-	(100,000)	-	(291,166,272)
Shareholders' Equity (Deficit)					
Preferred stock	-	-	-	-	-
Common stock	-	-	(86,493,960)	-	-
Paid in capital	-	-	(1,222,570,000)	-	-
(Accumulated deficit)/Retained earnings	-	-	(16,440,039)	(54,958,948)	2,000,000
Treasury stock, at cost	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	700,000	3,021,941	5,800,000
Deferred compensation trust	-	-	-	-	-
Total Shareholders' Equity (Deficit)	-	-	(1,324,803,999)	(51,937,007)	7,800,000
Total Liabilities and Shareholders' Equity (Deficit)	\$ -	\$ -	\$ (1,324,903,999)	\$ (51,937,007)	\$ (283,366,272)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities Combining Balance Sheet MOR - 3 June 30, 2008	
	COMBINED FILING ENTITIES
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 192,381,126
Investment securities	\$ 50,502,982
Cash value of life insurance policies, net of policy loans	\$ 70,678,963
Accounts and other receivables, net	\$ 129,113,644
Receivables from/(payables to) filing and non-filing entities, net	\$ 142,035,479
Inventories	\$ 92,991,414
Deferred income taxes	\$ 82,950,456
Other current assets	\$ 20,490,043
Total Current Assets	\$ 781,144,107
Properties and equipment, net	\$ 403,425,995
Goodwill	\$ 25,420,411
Cash value of life insurance policies, net of policy loans	\$ 3,944,253
Deferred income taxes	\$ 688,031,843
Asbestos-related insurance receivable	\$ 500,000,000
Loans receivable from/(payable to) filing and non-filing entities, net	\$ 443,963,076
Investment in filing and non-filing entities	\$ 458,813,796
Overfunded defined benefit pension plans	\$ 488,566
Other assets	\$ 50,599,557
Total Assets	\$ 3,355,831,603
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	
Liabilities Not Subject to Compromise	
Current Liabilities	
Debt payable within one year	\$ 0
Accounts payable	\$ 81,978,924
Income taxes payable	\$ 268
Other current liabilities	\$ 283,904,450
Total Current Liabilities	\$ 365,883,642
Debt payable after one year	\$ -
Deferred income taxes	\$ -
Minority interest in consolidated entities	\$ 53,501,165
Underfunded defined benefit pension plans	\$ 164,198,330
Other liabilities	\$ 44,718,817
Total Liabilities Not Subject to Compromise	\$ 628,301,954
Liabilities Subject to Compromise	
Debt, pre-petition plus accrued interest	\$ 805,094,694
Drawn letters of credit plus accrued interest	\$ 29,500,981
Income tax contingences	\$ 100,766,547
Asbestos-related contingences	\$ 1,700,000,000
Environmental contingences	\$ 147,735,356
Postretirement benefits	\$ 165,361,858
Other liabilities and accrued interest	\$ 115,008,414
Total Liabilities Subject to Compromise	\$ 3,063,467,850
Total Liabilities	\$ 3,691,769,804
Shareholders' Equity (Deficit)	
Preferred stock	\$ 112
Common stock	\$ 837,984
Paid in capital	\$ 435,083,879
(Accumulated deficit)/Retained earnings	\$ (366,506,732)
Treasury stock, at cost	\$ (57,473,294)
Accumulated other comprehensive (loss) income	\$ (347,880,150)
Deferred compensation trust	\$ 99
Total Shareholders' Equity (Deficit)	\$ (335,938,201)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 3,355,831,603

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 5

W. R. Grace & Co. - Conn Status of Postpetition Taxes MOR-4 June 30, 2008				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
	A	B	= C-A-B	C
Federal				
Withholding	\$ 5,538	\$ 2,225,598	\$ (2,239,194)	\$ (8,058)
FICA - Employee	235	1,142,198	(1,142,361)	72
FICA and payroll- Employer	1,800,762	1,142,634	(780,985)	2,162,411
Unemployment	-	1,549	(1,549)	-
Other	-	8,985	(8,985)	-
Total Federal Taxes	\$ 1,806,535	\$ 4,520,964	\$ (4,173,074)	\$ 2,154,425
State and Local				
Withholding	\$ (9,607)	\$ 737,850	\$ (696,902)	\$ 31,341
Sales & Use	808,424	443,676	(447,275)	804,825
Property Taxes	1,950,714	271,050	(134,352)	2,087,412
Other	-	139,177	(139,177)	-
Total State and Local	\$ 2,749,531	\$ 1,591,753	\$ (1,417,706)	\$ 2,923,578
Total Taxes	\$ 4,556,066	\$ 6,112,717	\$ (5,590,780)	\$ 5,078,003

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Remedium Group, Inc. Status of Postpetition Taxes MOR-4 June 30, 2008				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
	A	B	= C-A-B	C
Federal				
Withholding	\$ (6,782)	\$ 16,164	\$ (16,164)	\$ (6,782)
FICA - Employee	-	5,381	(5,381)	-
FICA and payroll- Employer	-	5,381	(5,381)	-
Unemployment	-	56	(56)	-
Other	-	385	(385)	-
Total Federal Taxes	\$ (6,782)	\$ 27,367	\$ (27,367)	\$ (6,782)
State and Local				
Withholding	\$ (1,010)	\$ 739	\$ (739)	\$ (1,010)
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ (1,010)	\$ 739	\$ (739)	\$ (1,010)
Total Taxes	\$ (7,792)	\$ 28,106	\$ (28,106)	\$ (7,792)

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Grace Washington, Inc. Status of Postpetition Taxes MOR-4 June 30, 2008				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
	A	B	= C-A-B	C
Federal				
Withholding	\$ 2,582	\$ 4,907	\$ (4,907)	\$ 2,582
FICA - Employee	141	268	(268)	141
FICA and payroll- Employer	139	268	(268)	139
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ 2,862	\$ 5,443	\$ (5,443)	\$ 2,862
State and Local				
Withholding	\$ 532	\$ 1,026	\$ (1,026)	\$ 532
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ 532	\$ 1,026	\$ (1,026)	\$ 532
Total Taxes	\$ 3,394	\$ 6,469	\$ (6,469)	\$ 3,394

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

L B Realty, Inc.
Status of Postpetition Taxes
MOR-4
June 30, 2008

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
	A	B	= C-A-B	C
Federal				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	-	-	-	-
FICA and payroll- Employer	-	-	-	-
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ -	\$ -	\$ -	\$ -
State and Local				
Withholding	\$ -	\$ -	\$ -	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ -	\$ -	\$ -	\$ -
Total Taxes	\$ -	\$ -	\$ -	\$ -

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Darex Puerto Rico, Inc. Status of Postpetition Taxes MOR-4 June 30, 2008				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
	A	B	= C-A-B	C
Federal				
Withholding	\$ -		\$ -	\$ -
FICA - Employee	-	680	(680)	-
FICA and payroll- Employer	-	680	(680)	-
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ -	\$ 1,360	\$ (1,360)	\$ -
State and Local				
Withholding	\$ -	\$ 1,136	\$ (1,136)	\$ -
Sales & Use	92	89	(92)	89
Property Taxes	267,387	-	-	267,387
Other	-	-	-	-
Total State and Local	\$ 267,479	\$ 1,225	\$ (1,228)	\$ 267,476
Total Taxes	\$ 267,479	\$ 2,585	\$ (2,588)	\$ 267,476

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 6

W. R. Grace & Co. - Conn
Accounts Receivable Reconciliation and Aging
MOR-5
June 2008

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ 117,699,439
Amounts billed during the period	\$ 98,663,400
Amounts collected during the period	\$ (96,535,388)
Other	\$ 4,553,799
Trade accounts receivable at the end of month, gross	\$ 124,381,250

Trade Accounts Receivable Aging

Current	\$ 104,730,624
1-30 days past due	\$ 15,496,430
31-60 days past due	\$ 2,357,077
+61 days past due	\$ 1,797,119
Trade accounts receivable, gross	\$ 124,381,250
Allowance for doubtful accounts	\$ (1,216,007)
Trade accounts receivable, net	\$ 123,165,243

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ 123,165,243
Customer notes and drafts receivable	\$ 616,742
Pending customer credit notes	\$ (971,449)
Advances and deposits	\$ 2,516,069
Nontrade receivables, net	\$ 1,684,899
Total notes and accounts receivable, net	\$ 127,011,503

Chart 6

Darex Puerto Rico, Inc.
Accounts Receivable Reconciliation and Aging
MOR-5
June 2008

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ 2,043,281
Amounts billed during the period	400,124
Amounts collected during the period	(372,323)
Other	4,375
Trade accounts receivable at the end of month, gross	\$ 2,075,456

Trade Accounts Receivable Aging

Current	\$ 1,267,859
1-30 days past due	365,202
31-60 days past due	204,667
+61 days past due	237,728
Trade accounts receivable, gross	2,075,456
Allowance for doubtful accounts	(169,255)
Trade accounts receivable, net	\$ 1,906,201

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ 1,906,201
Customer notes and drafts receivable	-
Pending customer credit notes	1,171
Advances and deposits	(9,177)
Nontrade receivables, net	-
Total notes and accounts receivable, net	\$ 1,898,196

Chart 6

Remedium Group, Inc.
Accounts Receivable Reconciliation and Aging
MOR-5
June 2008

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

Trade Accounts Receivable Aging

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	11,847
Total notes and accounts receivable, net	\$ 11,847

Chart 6

Gloucester New Communities Company, Inc.
Accounts Receivable Reconciliation and Aging
MOR-5
June 2008

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

Trade Accounts Receivable Aging

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	91,572
Total notes and accounts receivable, net	\$ 91,572

Chart 6

Grace Europe, Inc.
Accounts Receivable Reconciliation and Aging
MOR-5
June 2008

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

Trade Accounts Receivable Aging

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	100,526
Total notes and accounts receivable, net	\$ 100,526

Chart 7

W.R. Grace & Co., et al Debtor Questionnaire MOR - 5 June 30, 2008		
	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account for this reporting period? If yes, provide an explanation below.		See Note #5 below
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in affect? If no, provide and explanation below.	X	
5. Are post-petition accounts payable and tax obligations current and paid to date? If no, provide an explanation.	X (unless disputed in normal course of business)	

Note #5

As part of the first day orders submitted to the court on April 2, 2001, an application for the Debtors to (a) continue and maintain their consolidated cash management system, (b) continue and maintain their existing bank accounts and (c) continue to use existing business forms and granting related relief was included. The Debtors have continued to use their existing bank accounts and no new debtor in possession accounts have been established.

List assets sold/transferred outside the normal course of business over \$25,000:		
Description of Asset	Sale Date	Proceeds

Combined Chapter 11 Filing Entity Statements

Chart 8

**W. R. Grace & Co. - Chapter 11 Filing Entities
Combined Statement of Operations**

<i>In millions</i>	Month Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net sales to third parties	\$ 99.0	\$ 94.4	\$ 523.6	\$ 511.6
Net sales to non-filing entities	45.9	34.4	275.8	232.6
Interest and royalties from non-filing entities	4.3	0.9	38.0	19.7
	149.2	129.7	837.4	763.9
Cost of goods sold to third parties	68.5	55.5	375.2	335.5
Cost of goods sold to non-filing entities	34.9	23.8	217.3	181.3
Selling, general and administrative expenses	23.1	27.3	147.5	151.3
Depreciation and amortization	5.0	4.4	29.2	26.9
Research and development expenses	3.6	3.5	22.8	21.1
Net pension expense	3.2	4.3	21.2	20.4
Interest expense	4.5	6.4	29.3	39.0
Other (income) expense, net	(6.4)	(0.7)	(18.2)	(5.5)
Provision for asbestos-related litigation, net of estimated insurance recovery	-	-	-	-
Provision for environmental remediation	-	12.0	5.9	12.0
Chapter 11 expenses, net of interest income	7.4	7.7	36.4	41.5
	143.8	144.2	866.6	823.5
Income (loss) before income taxes and equity in net income of non-filing entities	5.4	(14.5)	(29.2)	(59.6)
Benefit from (provision for) income taxes	(17.6)	11.5	(16.8)	12.6
Income (loss) before equity in net income of non-filing entities	(12.2)	(3.0)	(46.0)	(47.0)
Equity in net income of non-filing entities	27.6	18.8	84.6	72.3
Net income (loss)	\$ 15.4	\$ 15.8	\$ 38.6	\$ 25.3

W. R. Grace & Co. - Chapter 11 Filing Entities
Combined Functional Basis Statement of Cash Flows

	Month Ended 30-Jun 2008	Year to Date 30-Jun 2008
<i>amounts in millions</i>		
<u>Core operations cash flow</u>		
Pre-tax income from core operations	\$ 16.4	\$ 50.5
Depreciation and amortization	5.0	29.2
	21.4	79.7
Contributions to defined benefit pension plans	(0.4)	(35.2)
Change in Non-Filing entity operating loans and Investment	88.3	131.0
Changes in all core assets/liabilities and other	21.7	(43.0)
	131.0	132.5
Dividends paid to minority interests in consolidated entities	-	0.0
Capital expenditures	(6.0)	(33.8)
Core Pre-tax Operating Cash Flow	125.0	98.7
<u>Charges against core reserves</u>		
Deferred compensation	-	(0.1)
Self insurance	-	(0.6)
Total Spending Against Core Reserves	-	(0.7)
Core Cash Flow	125.0	98.0
<u>Noncore cash flow</u>		
Proceeds from asset sales	-	0.0
Investments in short term debt securities	-	0.0
Sales of investment securities	10.4	46.7
Cash paid to resolve contingencies subject to Chapter 11	(101.6)	(101.6)
Legal Fees	(0.4)	(11.3)
Other noncore pretax cash flow	(0.5)	(6.0)
Noncore Pre-tax Cash Flow	(92.1)	(72.2)
<u>Charges against noncore reserves</u>		
Environmental remediation	1.0	(1.2)
Retained obligations and other	(0.2)	(0.1)
Postretirement benefits	(1.0)	(3.3)
	(0.2)	(4.6)
Noncore Cash Flow	(92.3)	(76.8)
Total Pre-tax/Pre-interest/Pre-Chapter 11 Cash Flow	32.7	21.2
Cash paid for taxes, net of refunds	(0.2)	(2.6)
Cash paid for interest	(27.2)	(27.9)
Chapter 11 reorganization expenses paid	(3.0)	(36.7)
Interest income on filing entity cash balances	0.2	1.3
Cash Flow before Strategic Investments	2.5	(44.7)
<u>Strategic Investments</u>		
Purchase of equity investment	-	(3.0)
Proceeds from option exercises	-	-
Dividends received	-	16.9
Proceeds from sale of product line	-	-
Proceeds from exercise of stock options	0.3	9.6
Cash used for Strategic Investments	0.3	23.5
Cash Flow After Strategic Investments	2.8	(21.2)
Borrowings (repayments) under DIP facility	(0.5)	(1.3)
Net (investing)/financing activities under life insurance policies	8.1	8.1
Net Cash Flow	\$ 10.4	\$ (14.4)

Chart 10

W. R. Grace & Co. - Chapter 11 Filing Entities Combined Balance Sheet			
Amounts in millions	June 30, 2008	December 31, 2007	April 2, 2001
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 192.4	\$ 206.8	\$ 8.6
Investment Securities	50.5	98.3	-
Cash value of life insurance policies, net of policy loans	70.7	77.1	-
Trade accounts receivable, less allowance of \$1.4 (2007 - \$1.7, Filing Date - \$0.7)	124.7	108.3	32.3
Receivables from non-filing entities, net	142.0	103.2	51.2
Inventories	93.0	82.6	80.6
Deferred income taxes	83.0	22.3	80.9
Asbestos-related insurance expected to be realized within one year	-	-	17.0
Other current assets	24.9	24.8	33.4
Total Current Assets	781.2	723.4	304.0
Properties and equipment, net	403.4	403.8	400.4
Goodwill	25.4	25.4	13.6
Cash value of life insurance policies, net of policy loans	3.9	3.9	64.1
Deferred income taxes	688.0	745.7	401.0
Asbestos-related insurance expected to be realized after one year	500.0	500.0	323.4
Loans receivable from non-filing entities, net	444.0	524.2	387.5
Investment in non-filing entities	458.8	395.4	121.0
Overfunded defined benefit pension plans	0.5	1.5	-
Deferred pension costs	-	-	236.0
Other assets	50.6	52.3	72.5
Total Assets	\$ 3,355.8	\$ 3,375.6	\$ 2,323.5
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Liabilities Not Subject to Compromise			
Current Liabilities			
Debt payable within one year	\$ -	\$ -	\$ -
Accounts payable	81.9	63.5	-
Other current liabilities	284.0	160.5	-
Total Current Liabilities	365.9	224.0	-
Debt payable after one year	-	-	-
Minority interest in consolidated entities	53.5	62.1	0.3
Underfunded defined benefit pension plans	164.2	159.6	-
Other liabilities	44.8	39.0	31.5
Total Liabilities Not Subject to Compromise	628.4	484.7	31.8
Liabilities Subject to Compromise			
Pre-petition bank debt plus accrued interest	805.1	783.0	511.5
Drawn letters of credit plus accrued interest	29.5	26.9	-
Income tax contingencies	100.8	89.3	242.1
Asbestos-related contingencies	1,700.0	1,700.0	1,002.8
Environmental contingencies	147.7	368.6	164.8
Postretirement benefits	165.3	172.7	256.2
Other liabilities and accrued interest	115.1	137.0	188.6
Total Liabilities Subject to Compromise	3,063.5	3,277.5	2,366.0
Total Liabilities	3,691.9	3,762.2	2,397.8
Shareholders' Equity (Deficit)			
Common stock	0.8	0.8	0.8
Paid in capital	434.9	431.5	432.6
Accumulated deficit	(366.5)	(405.1)	(201.8)
Treasury stock, at cost	(57.5)	(63.7)	(136.4)
Accumulated other comprehensive loss	(347.8)	(350.1)	(169.5)
Total Shareholders' Equity (Deficit)	(336.1)	(386.6)	(74.3)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 3,355.8	\$ 3,375.6	\$ 2,323.5

The Notes to Combined Financial Statements are an integral part of these statements.

W. R. Grace & Co.
Filing Entity Supplemental Financial Information
June 30, 2008

Basis of Presentation

The interim Combined Financial Statements presented herein represent the results of operations, cash flows and financial position of the Debtors. These financial statements pertain to periods beginning with, and subsequent to, the Filing Date and have been prepared in conformity with requirements of the Bankruptcy Court. Consequently, these financial statements do not purport to present the financial performance of W. R. Grace & Co. in conformity with U.S. generally accepted accounting principles which would require the consolidation of all controlled subsidiaries and more extensive notes and analysis related to the worldwide operations of W. R. Grace & Co. Financial activity of non-Debtor entities is not presented herein. However, all non-Debtor entities are either directly or indirectly controlled by the Debtors and, accordingly, non-Debtor financial results are reflected under the equity method of accounting. These financial statements are unaudited and should be read in conjunction with the consolidated financial statements presented in the Company's 2007 Annual Report on Form 10-K and other periodic filings with the U.S. Securities and Exchange Commission.

These interim Combined Financial Statements reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the interim periods presented under U.S. generally accepted accounting principles; all such adjustments are of a normal recurring nature. All significant inter-Debtor accounts and transactions have been eliminated. Transactions and balances with non-Debtor entities are separately disclosed.

The results of operations for the six-month interim period ended June 30, 2008 are not necessarily indicative of the results of operations for the year ending December 31, 2008.

Other Balance Sheet Accounts

<i>(In millions)</i>	June 30, 2008	Filing Date
Inventories		
Raw materials	\$ 39.3	\$ 20.3
In process	27.3	16.2
Finished products	85.1	63.8
General merchandise	14.2	9.6
Less: Adjustment of certain inventories to a last-in/first-out (LIFO) basis	(72.9)	(29.3)
	\$ 93.0	\$ 80.6
Other Assets		
Deferred charges	27.2	40.4
Long-term receivables	0.3	1.9
Long-term investments	3.0	2.1
Patents, licenses and other intangible assets, net	20.1	25.2
Other assets	--	2.9
	\$ 50.6	\$ 72.5
Other Current Liabilities		
Environmental Settlement Liability	\$ 150.0	\$ --
Accrued compensation	39.2	--
Accrued commissions	3.4	--
Customer programs	16.1	--
Accrued utilities	--	--
Accrued freight	8.6	--
Accrued reorganization fees	27.2	--
Fair value of foreign currency exchange rate forward contracts	--	--
Other accrued liabilities	39.5	--
	\$ 284.0	\$ --
Other Liabilities		
Deferred royalty income – non-filing entities	\$ --	\$ 31.5
Accrued compensation	3.3	--
Fair value of foreign currency exchange rate forward contracts	16.8	--
Other accrued liabilities	24.7	--
	\$ 44.8	\$ 31.5
Other Liabilities Subject to Compromise		
Accrued interest on pre- petition liabilities	40.0	--
Accounts payable	31.2	43.0
Retained obligations of divested businesses	30.8	43.5
Other accrued liabilities	13.1	102.1
	\$ 115.1	\$ 188.6

Accrued compensation in the table above includes salaries and wages as well as estimated current

amounts due under the annual and long-term incentive programs.

Life Insurance

Grace is the beneficiary of corporate-owned life insurance ("COLI") policies on certain current and former employees with a net cash surrender value of \$74.6 million at June 30, 2008. The policies were acquired to fund various employee benefit programs and other long-term liabilities and are structured to provide cash flow (primarily tax-free) over an extended number of years.

The following table summarizes the components of net cash value at June 30, 2008 and Filing Date:

Components of Net Cash Value (In millions)	June 30, 2008	Filing Date
Gross cash value	\$ 79.6	\$ 453.7
Principal – policy loans	(4.7)	(390.3)
Accrued interest – policy loans	(0.3)	0.7
Total net cash value	74.6	64.1
Less: current portion	(70.7)	--
Net cash value – long term ..	\$ 3.9	\$ 64.1
Insurance benefits in force ..	\$ 123.2	\$ 2,286.0

Grace's financial statements display income statement activity and balance sheet amounts on a net basis, reflecting the contractual interdependency of policy assets and liabilities.

In June 2008, Grace surrendered and terminated life insurance policies and received approximately \$8.1 million of net cash value from the terminations. As a result of the terminations, gross cash value of the policies was reduced by approximately \$8.1 million. Grace's insurance benefits in force was reduced by approximately \$18.9 million.

Debt

On June 30, 2008 and the Filing Date, Grace's debt was as follows:

Components of Debt (In millions)	June 30, 2008	Filing Date
Debt payable within one year		
DIP facility	\$ --	\$ --
Other short-term borrowings and related fees payable	--	--
	\$ --	\$ --
Debt payable after one year		
DIP facility	\$ --	\$ --
Other long-term borrowings ..	--	--
	\$ --	\$ --
Debt Subject to Compromise		
Bank borrowings	\$ 500.0	\$ 500.0
Accrued interest on bank borrowings	305.1	--
Drawn letters of credit	25.7	--
Accrued interest on drawn letters of credit	3.8	--
8.0% Notes Due 2004	--	5.7
7.75% Notes Due 2002	--	2.0
Other borrowings	--	1.2
Accrued interest	--	2.6
	\$ 834.6	\$ 511.5
Annualized weighted average interest rates on total debt	5.8%	6.1%

The Debtors have entered into a debtor-in-possession post-petition loan and security agreement, or DIP facility, with a syndicate of lenders that, as amended effective April 1, 2008, provides for up to \$165 million of revolving loans and face amount of letters of credit. The DIP facility is secured by a priority lien on substantially all assets of the Debtors with the exclusion of the capital stock of non-U.S. subsidiaries, and bears interest based on the London Interbank Offered Rate (LIBOR). The term of the DIP facility ends on the earlier of April 1, 2010 or the Debtors' emergence from Chapter 11. The DIP facility permits the increase of commitments of existing lenders and/or commitments by new lenders up to an aggregate maximum of \$250 million.

As of June 30, 2008, the Debtors had no revolving loans and \$66.0 million of standby letters of credit issued and outstanding under the DIP facility. These letters of credit and other holdback provisions reduced the aggregate unused availability for revolving loans and letters of credit, as of the April 1, 2008 effective date of the amended DIP facility, to \$99.0 million. The letters of credit were issued mainly for trade-related matters such as performance bonds, as well as certain insurance and environmental matters.